



CITY COUNCIL

Policy

CITY OF SAN MARCOS

SUBJECT: Compensation and Reimbursement

ADOPTED: November 14, 2006 by Resolution No. 2006-6808

REVISED: May 11, 2010 by Resolution No. 2010-7341

A. PURPOSE AND SCOPE

The purpose of this compensation and reimbursement policy is to ensure that expenditures made by City elected and appointed officials and staff members are for actual and necessary expenses incurred in the performance of official City duties.

1. This "Compensation and Reimbursement Policy" may be referred to as the ("Policy").
2. This Policy applies to any "member" of a "legislative body" as defined in GC §54952 (The Ralph M. Brown Act). Thus, this Policy applies to each member of the City Council. Additionally, this Policy applies to each member of a body appointed by the City Council, such as a Planning Commission provided, however, that this Policy applies to a member of an appointed body only to the extent that prior approval for a particular expense reimbursement has been separately approved by the City Council. This Policy also applies to City staff members.
3. This Policy will use the term "Council Member" to refer to the Mayor and each member of the City Council. Additionally, to the extent City Council has separately approved reimbursement to any member of an appointed body for a particular expense reimbursement, that member shall be entitled to reimbursement for expenses in the same manner as a "Council Member".

B. POLICY STATEMENT

The City of San Marcos believes it is important that elected and appointed officials remain informed and trained in issues affecting the affairs of the City and that attendance at official City related events, gatherings or "meetings", as defined in GC §54952.2(c), are of significance to the City and to its citizens.

The City of San Marcos' elected and appointed City officials shall be entitled to reimbursement for their actual and necessary expenses associated with their official duties while attending such events in a manner and in the amounts as set forth in this Policy.

1. This Policy shall be formally adopted by the City Council and any changes or amendments to it shall also be adopted by City Council.

C. DEFINITIONS

For purposes of this policy, the following definitions shall apply:

1. "Actual and necessary expense" shall mean those expenses for which there is a practical need based on costs normally incurred in prevailing business practices to conduct the "official duties";
2. "Reimbursement" shall mean all forms of payment for expenses incurred by City Officials in the course of their official duties whether paid directly by the City or paid with a City issued credit card or advanced by City officials with personal funds and later reimbursed from City funds;
3. "Attendance" shall mean the physical presence at the majority of a meeting, event or occurrence unless presence for a lesser period is authorized by the Council or by a board or committee to include but not limited to the participation in a teleconference;
4. "Length of time" shall mean attendance no longer than 10 working days at any event, meeting, conference, institute, or retreat unless specially authorized by City Council at a public meeting.

D. OFFICIAL DUTIES, AUTHORIZED ACTIVITIES

The following types of occurrences generally constitute the performance of "official duties" for public purposes for which a ticket or pass may be purchased for members of the City's legislative body or for which such members may receive reimbursement, so long as: (i) the other requirements of this policy are met; (ii) all expenditures are approved by the City Council at a public meeting prior to such payment or reimbursement; and (iii) provided that the distribution is posted on a form provided by the California Fair Practices Commission on the City's website within thirty (30) days after the distribution. In all other cases, consistent with Section 18944.1 of the Regulations of the Fair Political Practices Commission, as may be amended from time to time; tickets or passes provided to members of the legislative body shall be treated as income to the member and reported as such, consistent with applicable state and federal income tax laws, and such distribution shall be posted by the City on its website within thirty (30) days after the distribution on a form provided by the California Fair Practices

Commission. The transfer by an official of any ticket or pass distributed pursuant to this Policy to any other person, except members of the official's immediate family solely for their personal use, is prohibited.

1. Expenses incurred by the City official when there is a reasonable connection with a City adopted policy position, purpose or goal;
2. Attending meetings or events at the direction or request of the City Council; for example, as a member of an advisory committee of the City Council, GC §54952;
3. Communicating with representatives of regional, state and national government on City-adopted policy positions and/or other matters of community concern;
4. Communicating with representatives of business or community interests at the local, regional, state, and national level on policy positions adopted by the City. Additionally, participation in activities to promote or implement strategies for attracting or retaining businesses and other development to the City;
5. Participating in regional, state and national organizations whose activities affect the City's interests. Such organizations include but are not limited to local civic organizations such as the Chamber of Commerce and Rotary;
6. Attending events for which the City is a sponsor or participant or affects the City's interests;
7. Attending educational seminars designed to improve the official's skill and information levels related to City business;
8. Promoting public service or morale by recognizing and honoring such service on the part of City employees, members of the community, and other individuals;
9. Participation in an approved at home, in-person or online ethics course to meet the requirements of GC §53234-53235.2.
10. The performance of such other official duties that affect the City's interests;
11. Any other expenditure that the City Council deems to constitute the performance of an "official duty."

E. UNOFFICIAL DUTIES, UNAUTHORIZED ACTIVITIES

The City will not reimburse City Officials for expenses incurred outside the scope of the City Official's duties or pay for such expenses including, for example and not limited to, the following:

1. The personal portion of any trip. The City need only reimburse the City Official for destination roundtrip travel cost and non-personal costs incurred during the event duration. Should trip arrangements be made for spouse or family members, reimbursement to the City for any advanced expenses should be received by the City prior to the trip;
2. Political contributions or events;
3. Charitable contributions or events, except that tickets or passes to charitable non-profit and other non-profit events may be reimbursed or paid for if the requirements of Section D (Official Duties, Authorized Activities), above, are met;
4. Family expenses, including the expenses for a "significant other" when accompanying a City official on agency related business, as well as children or pet related expenses. An exception would apply for required attendance of the "significant other" of the Mayor when required at an event or sponsored meal when attendance has been previously approved by the City Council;
5. Entertainment expenses, including theater, movies (either in room or at the theater), sporting events (including gym, massage and/or golf related expense), or other non-city related cultural events;
6. Personal alcohol related bar expenses;
7. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline;
8. Expenses for which City officials receive reimbursement from another agency are not reimbursable;
9. Personal losses incurred while on City business;
10. Travel insurance is not a reimbursable expense.

Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

F. COMPENSATION FOR ATTENDANCE AT MEETINGS

Compensation for meeting attendance, for elected and appointed members of City boards and commissions shall be as follows:

1. City Council Member salaries and meeting attendance stipends are governed by San Marcos Municipal Code Section 2.08.030, set and enacted as by a vote of the local electors in 1990;
2. Compensation for meeting attendance for members of the Planning Commission, other commissions and boards or committees shall be established by resolution of the City Council.

G. COST CONTROL

To conserve City resources and keep expenses within community standards for public officials, expenditures should adhere to the following policy. In the event that expenses are incurred which exceed this policy, the cost borne or reimbursed by the City will be limited to the costs that fall within the guidelines, unless prior approval from the City Council is obtained at a public meeting.

H. TRANSPORTATION

City Officials must use the most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements, using the most direct and time efficient route. Government and group rates must be used when available. When attending conferences or meetings that are of such distance that it is more economical to take commercial transportation, if a City official proposes to drive his/her car in those cases, commercial air fare will be paid and not automobile mileage. Pursuant to San Marcos Municipal Code Section 2.08.050(i), City Council Members who receive an automobile allowance pursuant to 2(a) below, shall not be eligible for any mileage reimbursement. City staff members who receive an automobile allowance shall not be eligible for any mileage reimbursement.

1. **Airfare.** Airfares that are reasonable and economical shall be eligible for purposes of reimbursement. Government and group rates shall be used when available.
2. **Automobile.**
 - a. Automobile Allowance. Each member of the City Council shall be entitled to receive a monthly automobile allowance in an amount established from time to time by the City Council, for the purpose of compensating each member for the use of his or her personal automobile for official City business pursuant to San Marcos Municipal Code Section 2.08.030(c). The current allowance is \$300 per month and may be adjusted by ordinance of the City Council in an amount not to exceed 5% per year.

b. Automobile Mileage Reimbursement. For all other City staff, automobile mileage is reimbursed at Internal Revenue Service ("IRS") rates in effect at the time of travel. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. The amount does not include bridge and road tolls, or parking expenses which are also reimbursable. If a member of City staff has a local rate set in his or her employment contract, the local rate shall apply. Upon amendment or renegotiation of the contract, the rate of mileage reimbursement shall revert to the IRS rates as set forth above. As noted above, pursuant to San Marcos Municipal Code Section 2.08.050(i), City Council Members who receive an automobile allowance pursuant to 2(a), above, shall not be eligible for any mileage reimbursement. Further, City staff members who receive an automobile allowance are also precluded from receiving any mileage reimbursement.

3. Car Rental. Rental rates that are reasonable and economical shall be eligible for purposes of reimbursement. Government and group rates shall be used when available.

4. Taxis/Shuttles. Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time efficiency.

I. LODGING

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. Travelers must request government rates, when available. If the group rate is not available, reimbursement at the IRS rate in effect at the time of travel shall apply (IRS Publication 463).

J. MEALS

Receipts for expenses for meals shall be required. Actual expenses shall be reimbursed subject to the maximum per diem for the meal as set by the IRS rate in effect at the time of travel. (See GC §53232.2(c) and Publication 463 at <http://www.irs.gov/publications/p463/index.html> or www.gsa.gov/perdiem). The City will not pay or reimburse for alcohol/personal bar expenses.

K. MISCELLANEOUS EXPENSES

Officials will be reimbursed for actual telephone, fax and parking expenses incurred on City business. Telephone bills should identify which calls were made on City business. For cellular calls when the City official has a particular number

of minutes included in the City official's plan, the City official shall identify the percentage of calls made for public business.

Airport Parking. Long term parking must be used for travel exceeding 24 hours.

Baggage Handling. Fees for up to \$1 per bag and gratuities of up to 15 percent will be reimbursed.

L. CASH ADVANCE POLICY

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the City Manager ten (10) working days prior to the need for the advance with the following information:

1. The purpose of the expenditure(s);
2. The benefits of such expenditure to the residents of the City;
3. The anticipated amount of the expenditure(s), i.e. hotel rates, meal costs and transportation expenses; and
4. The dates of the expenditure(s).

Any unused advance must be returned to the City within five (5) working days of the official's return, along with an expense report and receipts documenting how the advance was used. In the event the City Manager is uncertain as to whether a request complies with this Policy, such individual must seek resolution from the City Council.

M. EXPENSE REPORT CONTENT AND SUBMISSION DEADLINE

All cash advance and expense reimbursement requests must be submitted on an expense report form provided by the City. This form shall include the following advisory:

All expenses reported on this form must comply with the City's policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the City's policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.

Expense reports must document that the expense in question met the requirements of this Policy. Officials must submit their expense reports within five (5) calendar days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card

receipts, are also part of the necessary documentation. Inability to provide such documentation in a timely fashion may result in the expense being the responsibility of the official.

In the event the official does not attend the trip and non-refundable expenses have been incurred for registration, lodging and/or travel, the non-attending official shall submit a written explanation of the reasons for non-attendance to the City Manager. The City Manager shall determine if the public funds advanced must be reimbursed to the City. Any decision of the City Manager may be appealed to the City Council.

All expenses are subject to verification that they comply with this Policy.

N. REPORTS TO THE CITY COUNCIL, BOARD OR COMMISSION

At the following regular City Council, Board or Commission meeting, elected or appointed officials shall briefly report, either orally or in writing, on meetings attended at City expense. If multiple officials attended, a joint report may be made. This requirement does not extend to City staff members. Privileged City information is not required to be shared with the public to meet the requirements of this Section.

O. PUBLICATION OF EXPENDITURES

No later than September 30th of each year, the City Clerk shall cause to be published a report of all expenditures made for or reimbursed to each Council, Board or Commission member in a newspaper of local circulation. Said report shall include salaries, stipends, benefits and related costs, reimbursements for incurred expenses, and any compensation paid to Council, board or commission members for serving as the City's representative on any committees or panels of any other public agencies. The information contained in the published disclosure shall be for the fiscal year ending June 30th of each year.

P. REIMBURSEMENT BY OTHER AGENCY OR ORGANIZATION

Pursuant to San Marcos Municipal Code Section 2.08.050(j), in the event any other government agency, organization, board or commission on which a Member of the City Council serves as a representative of the City offers to reimburse the Council Member for travel expenses (including mileage reimbursement), meals, lodging or other legitimate expenses already paid in full or in part by the City pursuant to this Policy and/or the San Marcos Municipal Code, the Councilmember shall take one of the following actions:

1. Decline such reimbursement; or
2. Accept the reimbursement on behalf of the taxpayers of the City and deliver such reimbursement to the City Manager for deposit into the City's General Fund.

Q. COMPLIANCE WITH LAWS

City officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act.

R. VIOLATION OF THIS POLICY

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following:

1. Loss of reimbursement privileges;
2. A demand for restitution to the City;
3. The agency's reporting the expenses as income to the official to state and federal tax authorities;
4. Civil penalties of up to \$1,000 per day and three times the value of the resources used; and
5. Criminal prosecution for misuse of public resources.